








Community Services Cola

To maintain independence, individuals with developmental disabilities must be able to purchase quality services that meet their needs. We urge the legislature to ensure that quality service options are available by funding a cost of living adjustment (COLA) to offset increased costs community agencies are incurring while providing medically necessary services to individuals with developmental disabilities. Because of inflationary factors, many agencies are facing deficits that threaten their continuance as long-standing community service organizations developed over the last 40-50 years. These programs represent a substantial infrastructure that created and expanded opportunities for Florida's most vulnerable citizens and employ thousands of individuals across the State. Without cost of living adjustments, this system will be severely strained. A \$70 million adjustment is needed for Fiscal Year 2006-2007.

COLA Facts:

-  Since 2003, direct care staff employed in state institutions received 2% and 3.6% increases in salaries, while funding was not appropriated for similar salary increases for staff working in community agencies performing similar duties.
-  Since 2003, transportation costs have increased by 19% in the US, and the cost of gasoline has increased 78% per gallon. A slight increase in transportation rates (8%) in late 2005 does not even begin to cover the inflationary costs community agencies are facing.
-  Since 2003, the Florida minimum wage increased from \$5.15 to \$6.40 per hour (effective January 06), representing a 25% increase, again with no adjustments for community agencies.
-  In 2004, employer health insurance premiums increased 11.2%, about 4 times the rate of inflation. Insurance premiums overall increased about 25%. Liability insurance premiums have increased on average at least 24%. Wind storm insurance coverage has increased as much as 48%.
-  In 2005, a 20.6% increase in utilities was approved by State Agency Regulators. The increase, the third in a year, was granted to cover the soaring costs of fuel FPL buys to operate generating plants.
-  In 2006, Federal Civil Service Retirement System retirees will receive a 4.1% COLA in pensions, the largest hike in 14 years. The adjustment is based on the Consumer Price Index for urban wage earners from the third-quarter of one year to the third quarter of the next quarter (compiled by the Labor Department) and represents a 10.3% increase since 2003. The Social Security Administration has announced a 4.1% COLA for Social Security and Supplemental Security Income recipients. State of Florida retirees receive an annual 3% COLA.
-  In 2003, Florida adopted a rate study for Medicaid services for individuals with developmental disabilities. The rates were based on 2002 direct care wages (a primary cost driver) at the 25th percentile compared to national averages. Since then, inflation has risen 9.2%, (projected through June 2006) while rates for Medicaid funded waiver services have not increased - some decreased.



**For additional information, call:
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It's the Right Thing for Quality Community Services!